



Air Transport Association

**CONSOLIDATED
AIR TRANSPORT SERVICES AGREEMENT
BETWEEN THE
GOVERNMENTS OF THE UNITED STATES OF AMERICA AND
THE REPUBLIC OF ARGENTINA**

The attached reference document has been prepared by the Air Transport Association's International Affairs Department to consolidate the two documents that comprise the current United States-Argentina bilateral relationship (as of December 2001). The documents used in this consolidation, and the font style in which text from each document appears, are:

- * Air Transport Services Agreement, signed and provisionally applied from October 22, 1985, and entered into force December 29, 1986
- * Exchange of Notes amending Article VI to include provisions on cooperative marketing arrangements and cargo intermodal services, and replacing Annexes I and II in their entirety; entered into force November 24, 2000

[Note: All editorial comments and clarifying headings are in brackets and in this font.]

The Air Transport Services Agreement is the basic document. To the maximum extent possible, modifying text is consolidated from its original document to the section in the basic agreement to which it most closely relates. Paragraph numbering and section formatting from the original document are retained.

While every effort has been made to ensure the accuracy of the consolidated document and to the best of our knowledge it is a fair and accurate representation of the current U.S.-Argentina agreement situation, it is NOT an official document. If you do discover any errors, please advise ATA's International Affairs Department.

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CONSOLIDATED AIR TRANSPORT SERVICES AGREEMENT
BETWEEN THE
GOVERNMENTS OF THE UNITED STATES OF AMERICA AND
THE REPUBLIC OF ARGENTINA

The Government of the United States of America and the Government of the Republic of Argentina, which are parties to the Convention on International Civil Aviation opened for signature at Chicago on December 7, 1944,

* Desiring to promote an international air transport system based on fair and constructive competition among airlines; to facilitate the expansion of international air transport opportunities; and to ensure the highest degree of safety and security in international air transport and reaffirming their grave concern about acts or threats against the security of aircraft, which jeopardize the safety of persons or property, adversely affect the operation of air transportation, and undermine public confidence in the safety of civil aviation;

* Have agreed to the following:

ARTICLE I. Operating Authority for Airlines

(1) Each Party shall have the right to designate an airline or airlines to conduct international air transportation over the routes established in Annex I, which forms a part of the present Agreement, and in accordance with this Agreement to withdraw or alter such designations. Such designations or withdrawals shall be transmitted to the other Party in writing through diplomatic channels.

(2) On receipt of such designation from one of the Parties and of applications from the designated airline in the form and manner prescribed for operating authorizations and technical permissions, the other Party shall grant appropriate authorizations and permissions with minimum procedural delay provided:

- (a) substantial ownership and effective control of that airline are vested in the Party designating the airline, nationals of that Party, or both;
- (b) the designated airline is qualified to meet the conditions prescribed under the laws and regulations normally applied to the operation of international air

transportation by the Party considering the application or applications; and

- (c) the Party designating the airline is maintaining and administering the standards set forth in Article IV.

(3) Each Party will issue a single comprehensive operating permit to each designated airline, which permit will authorize each designated airline of the other Party to operate the services provided for in Annexes I and II, which form a part of the present Agreement.

ARTICLE II. Grant of Rights

(1) Each Party grants to the other Party the following rights for the conduct of international air transportation by the airlines of the other Party:

- (a) the right to fly across its territory without landing;
- (b) the right to make stops in its territory for non-traffic purposes;
- (c) the rights otherwise specified in this Agreement.

(2) Nothing in paragraph (1) of this Article shall be deemed to grant the right for one Party's airlines to take on at one point in the territory of the other Party local traffic destined for another point in the territory of such other Party.

ARTICLE III. Application of Laws and Regulations

(1) While entering, within or leaving the territory of one Party, its laws and regulations relating to the operation and navigation of aircraft shall be complied with by the other Party's airlines.

(2) While entering, within or leaving the territory of one Party, its laws and regulations relating to the admission to or departure from its territory of passengers, crew or cargo on aircraft (including regulations relating to entry, clearance, aviation security, immigration, passports, customs and quarantine or, in the case of mail, postal regulations) shall be complied with by or on behalf of such passengers, crew or cargo of the other Party's airlines.

ARTICLE IV. Safety, Security and Recognition
of Certificates and Licenses

(1) Each Party shall recognize as valid, for the purpose of operating the air transportation provided for in this Agreement, certificates of airworthiness, certificates of competency and licenses issued or validated by the other Party and still in force, provided that the requirements for such certificates or licenses at least equal the minimum standards which may be established pursuant to the Convention on International Civil Aviation, opened for signature at Chicago on December 7, 1944 (the Convention). Each Party may, however, refuse to recognize as valid for the purpose of flight above its own territory, certificates of competency and licenses granted to or validated for its own nationals by the other Party.

(2) Each Party may request consultations concerning the safety and security standards maintained by the other Party relating to aeronautical facilities, aircrew, aircraft and operation of the designated airlines. If, following such consultations, one Party finds that the other Party does not effectively maintain and administer safety and security standards and requirements in these areas that at least equal the minimum standards which may be established pursuant to the Convention, the other Party shall be notified of such findings and the steps considered necessary to conform with these minimum standards, and the other Party shall take appropriate corrective action. Each Party reserves the right to withhold, revoke or limit the operating authorization or technical permission of an airline or airlines designated by the other Party in the event the other Party does not take such appropriate action within a reasonable time.

(3) Each Party reaffirms its commitment to act consistently with the provisions of the Convention on Offenses and Certain Other Acts Committed on Board Aircraft, signed at Tokyo on September 4, 1963; the Convention for the Suppression of Unlawful Seizure of Aircraft, signed at the Hague on December 16, 1970; and the Convention for the Suppression of Unlawful Acts Against the Safety of Civil Aviation signed at Montreal on September 23, 1971.

(4) Each Party shall require that the operators of aircraft of its registry act consistently with applicable aviation security provisions established by the International Civil Aviation Organization; and

(5) Each Party shall provide maximum aid to the other Party with a view to preventing unlawful seizure of aircraft, sabotage to aircraft, airports and air navigation facilities and threats to

aviation security; give sympathetic consideration to any request from the other Party for special security measures for its aircraft or passengers to meet a particular threat; and, when incidents or threats of hijacking or sabotage against aircraft, airports or air navigation facilities occur, assist the other Party by facilitating communications intended to terminate such incidents rapidly and safely.

ARTICLE V. Customs Duties and Taxes

(1) On arriving in the territory of one Party, aircraft operated in international air transportation by the designated airlines of the other Party, their regular equipment, ground equipment, fuel, lubricants, consumable technical supplies, spare parts including engines, aircraft stores (including but not limited to such items as food, beverages and liquor, tobacco and other products destined for sale to or use by passengers in limited quantities during the flight), and other items intended for or used solely in connection with the operation or servicing of aircraft engaged in international air transportation shall be exempt, on the basis of reciprocity, from all import restrictions, property taxes and capital levies, customs duties, excise taxes, and similar fees and charges imposed by the national authorities, and not based on the cost of services provided, provided such equipment and supplies remain on board the aircraft.

(2) There shall also be exempt, on the basis of reciprocity, from the taxes, duties, fees and charges referred to in paragraph (1) of this Article, with the exception of charges based on the cost of the service provided:

- (a) aircraft stores introduced into or supplied in the territory of a Party and taken on board, within reasonable limits, for use on outbound aircraft of a designated airline of the other Party engaged in international air transportation, even when these stores are to be used on a part of the journey performed over the territory of the Party in which they are taken on board;
- (b) ground equipment and spare parts including engines introduced into the territory of a Party for the servicing, maintenance or repair of aircraft of a designated airline of the other Party used in international air transportation; and
- (c) fuel, lubricants and consumable technical supplies introduced into or supplied in the territory of a Party

for use in an aircraft of a designated airline of the other Party engaged in international air transportation, even when these supplies are to be used on a part of the journey performed over the territory of the Party in which they are taken on board.

(3) Equipment and supplies referred to in paragraphs (1) and (2) of this Article may be required to be kept under the supervision or control of the appropriate authorities.

(4) The exemptions provided for by this Article shall also be available where the designated airlines of one Party have contracted with another airline, which similarly enjoys such exemptions from the other Party, for the loan or transfer in the territory of the other Party of the items specified in paragraphs (1) and (2) of this Article

(5) Each Party shall use its best efforts to secure for the designated airlines of the other Party, on the basis of reciprocity, an exemption from taxes, duties, charges and fees imposed by state, regional and local authorities on the items specified in paragraphs (1) and (2) of this Article, as well as from fuel through-put charges, in the circumstances described in this Article, except to the extent that the charges are based on the actual cost of providing the service.

ARTICLE VI. Commercial Opportunities

(1) The designated airlines of one Party shall have the right to establish offices in the territory of the other Party for the promotion and sale of air transportation. Other airlines of one Party may establish such offices in accordance with the laws and regulations of the other Party. Promotional materials, such as advertisements, printed catalogs, price lists, trade notices, or tourist and other literature (including posters) shall be admitted duty free.

(2) The designated airlines of each Party shall have the right, in accordance with the laws and regulations of the other Party relating to entry, residence and employment, to bring in and maintain in the territory of the other Party managerial, sales, technical, operational and other specialist staff required for the provision of air transportation.

(3) Each airline of one Party shall have the right to engage in the unrestricted advertisement and sale of air transportation in the territory of the other Party directly and, at the airline's discretion, through its agents. Each airline may sell such

transportation, and any person shall be free to purchase such transportation, in the currency of that territory or in freely convertible currencies.

(4) In cases where there is only one supplier of fuel and/or fueling services, each Party shall insure that on international flights the prices paid for fuel and fueling services by the airline or airlines of the other Party are no higher than the prices paid for fuel and/or fueling services by its own airline(s). The airlines of both countries may purchase fuel in local currency or in freely convertible currencies at the option of the airline without additional fees or charges for processing these payments.

(5) Until such time as each designated airline of the United States shall have the right to perform its own ground handling in Argentina and shall have the right to perform such services on behalf of other airlines or, at its option, select among competing agents for such services, the United States reserves the right to require the Argentine carrier or carriers to enter into a contract with a specified agent or agents for groundhandling service in the United States.

(6) Each airline of one Party shall have the right to convert and remit to its country, on demand, local revenues in excess of sums locally disbursed. Conversion and remittance shall be permitted promptly without impediment or taxation in respect thereof at the rate of exchange in effect for current transactions and remittances on the date the carrier makes application for remittance.

(7) In operating or holding out the authorized services on the agreed routes, any designated airline of one Party may enter into cooperative marketing arrangements such as blocked-space, code sharing or leasing arrangements, with an airline or airlines of either party and/or an airline or airlines of a third country; provided that all airlines in such arrangements (a) hold the appropriate authority and (b) meet the requirements normally applied to such arrangements.

(8) Notwithstanding any other provision of this Agreement, airlines and indirect providers of cargo transportation of both Parties shall be permitted, without restriction, to employ in connection with international air transportation any surface transportation for cargo to or from any points in the territories of the Parties or in third countries, including transport to and from all airports with customs facilities, and including, where applicable, the right to transport cargo in bond under applicable laws and regulations. Such cargo, whether moving by surface or by air, shall have access to airport customs processing and facilities. Airlines may elect to perform their own surface transportation or to provide it through arrangements with other surface carriers, including surface transportation operated by other airlines and indirect providers of cargo air transportation. Such intermodal cargo services may be offered at a single, through price for the air and surface

transportation combined, provided that any information provided by airlines and indirect providers of cargo transportation to shippers is not incorrect.

ARTICLE VII. User Charges

User charges, imposed by the competent charging authorities on the airline of the other Party shall be just, reasonable, and non-discriminatory. Airlines shall not be required to pay charges higher than those paid by the airlines of the charging Party.

ARTICLE VIII. Fair Competition *

(1) Each Party shall allow a fair and equal opportunity for the designated airlines of both Parties to compete in the international air transportation covered by this Agreement.

(2) Each Party shall take all appropriate action within its jurisdiction to eliminate all forms of discrimination or unfair competition practices adversely affecting the competitive position of the airlines of the other Party.

(3) Except as mutually agreed, neither Party shall limit the volume of traffic, frequency or regularity of service, or the aircraft type or types operated by the designated airline or airlines of the other Party, except as may be required for customs, technical, operational or environmental reasons under uniform conditions consistent with the Convention.

(4) Neither Party shall impose on the other Party's designated airlines any requirement with respect to the capacity, frequency or traffic inconsistent with this Agreement and its Annexes, which form a part of the present Agreement.

(5) Each Party agrees that it will not implement or enforce any cargo preference laws or regulations on any of the services except insofar as such laws or regulations apply to cargo transported for the account of the national government itself or pursuant to the terms of any contract, agreement, or other special arrangement under which the national government makes payment for those transportation services. The national government in exercising the cargo preference laws or regulations mentioned in this Article and in order to avoid a prejudicial effect on the transportation of non-preferential cargo will contract directly with the airline or airlines for air transportation.

* - See Annex II for capacity/frequency limitations

ARTICLE IX. Consultations

Either Party may, at any time, request consultations relating to this Agreement. Such consultations shall begin at the earliest possible date, but not later than 60 days from the date the other Party receives the request unless otherwise agreed. Each Party shall prepare and present during such consultation relevant evidence in support of its position in order to facilitate informed, rational and economic decisions. If there are any revisions of this Agreement and/or its Annexes, which form a part of the present Agreement, as a result of such consultations, they shall be confirmed by an exchange of diplomatic notes.

ARTICLE X. Termination

Either Party may, at any given time, give notice in writing to the other Party of its decision to terminate this Agreement. Such notice shall be sent simultaneously to the International Civil Aviation Organization. This Agreement shall terminate at midnight (at the place of receipt of notice to the other Party) immediately before the first anniversary (one year) of the date of receipt of the notice by the other Party, unless the notice is withdrawn by agreement before the end of this period.

ARTICLE XI. Registration with ICAO

This Agreement and all amendments thereto shall be registered with the International Civil Aviation Organization.

ARTICLE XII. Entry Into Force

This Agreement will have provisional application from the date it is signed and will enter into force upon an exchange of diplomatic notes confirming that each Party has concluded its internal procedures for entry into force of this Agreement. (1)

Done in the City of Buenos Aires, Capital of the Republic of Argentina, the 22nd day of October, 1985, in the languages English and Spanish, both texts being equally valid.

(1) - December 29, 1986

Annex I

Operating Rights and Restrictions

Section 1

Routes

Airlines of each Party designated under this Annex shall, in accordance with the terms of their designation, be entitled to perform scheduled international air transportation between points on the following routes. Any additional points provided for in this Section shall be selected by each Party on behalf of its airlines and may be changed by that Party by giving 60 days written notice to the other Party.

A. Scheduled all-cargo services.

1. For designated airlines of the United States:

- a. From points behind the United States, via the United States and intermediate points, to a point or points in Argentina and beyond.
- b. Between Argentina and any point or points.

2. For designated airlines of Argentina:

- a. From points behind Argentina, via Argentina and intermediate points, to a point or points in the United States and beyond.
- b. Between the United States and any point or points.

B. Scheduled combination services.

1. For designated airlines of the United States:

a. Until March 31, 2001:

From points behind the United States, via the United States and intermediate points, to Buenos Aires and Cordoba, and beyond to Santiago and Montevideo.

b. From April 1, 2001 through November 30, 2001:

From points behind the United States, via the United States and intermediate points, to Buenos Aires, Cordoba, and one additional point in Argentina to be selected by the United States, and beyond to Santiago and Montevideo.

c. From December 1, 2001:

- (i) From points behind the United States, via the United States and intermediate points, to Buenos Aires, Cordoba, and two additional points in Argentina to be selected by the United States, and beyond to Santiago and Montevideo.
 - (ii) Five additional points in Argentina, to be selected by the United States, may be served on a codeshare-only basis.
- 2. For designated airlines of Argentina:
 - a. Until March 31, 2001:
 - (i) From points behind Argentina, via Argentina and intermediate points, to Miami, New York, Los Angeles, San Juan, Orlando, and Atlanta, and beyond to Montreal, Toronto and Korea.
 - (ii) From Argentina, via intermediate points to San Juan and beyond to third countries.
 - b. From April 1, 2001, through November 30, 2001:
 - (i) From points behind Argentina, via Argentina and intermediate points, to Miami, New York, Los Angeles, San Juan, Dallas, Orlando, Atlanta, and one additional point in the United States to be selected by Argentina, and beyond to Montreal, Toronto and Korea.
 - (ii) From Argentina, via intermediate points, to San Juan and beyond to third countries.
 - c. From December 1, 2001:
 - (i) From points behind Argentina, via Argentina and intermediate points, to Miami, New York, Los Angeles, San Juan, Dallas, Orlando, Atlanta, and two additional points in the United States to be selected by Argentina, and beyond to Montreal, Toronto, Korea and Spain.
 - (ii) From Argentina, via intermediate points, to San Juan and beyond to third countries.
 - (iii) Five additional points in the United States, to be selected by Argentina, may be served on a code share-only basis.

3. Limitations on Code Sharing Between Airlines of the Two Parties:

The rights provided for in Article VI subparagraph (7) relating to code sharing shall become effective on April 1, 2001.

Section 2

Operational Flexibility

Each designated airline may, on any or all flights and at its option:

1. operate flights in either or both directions;
2. combine different flight numbers within one aircraft operation;
3. serve behind, intermediate, and beyond points and points in the territories of the Parties on the routes in any combination and in any order, subject to the limitations in this Annex on beyond points;
4. omit stops at any point or points;
5. transfer traffic from any of its aircraft to any of its other aircraft at any point on the routes; and
6. serve points behind any point in its territory with or without change of aircraft or flight number and may hold out and advertise such services to the public as through services;

without directional or geographic limitation and without loss of any right to carry traffic otherwise permissible under this Agreement; provided that, with the exception of all-cargo services, the service serves a point in the territory of the Party designating the airline.

Section 3

Change of Gauge

On any segment or segment of the routes above, any designated airline may perform international air transportation without any limitation as to change, at any point on the route, in type or number of aircraft operated; provided that, with the exception of all-cargo services, in the outbound direction, the transportation beyond such point is a continuation of the transportation from the territory of the Party that has designated the airline and, in the inbound direction, the transportation to the territory of the Party that has designated the airline is a continuation of the transportation from beyond such point.

Section 4

Capacity for Scheduled Combination Services

The provision in paragraph 3 of Article VIII (Fair Competition) entitling airlines to determine the frequency and capacity of their own operations shall be limited to allocating only the following number of frequencies for scheduled combination services on aircraft operated by each [P]arty's designated airlines into the territory of the other Party: 1/

- A. Until March 31, 2001: up to forty-two (42) weekly round-trip frequencies.
- B. From April 1, 2001, until November 30, 2001: up to forty-nine (49) weekly round-trip frequencies.
- C. From December 1, 2001: up to fifty-six (56) weekly round-trip frequencies.

1/ The capacity limitations in this Annex shall have no application to operations behind or beyond the gateways in the territories of the Parties. Nor shall the limitations apply to operations including San Juan on the routes listed in Section 1, paragraphs B.2(a)(ii), B.2(b)(ii), and B.2(c)(ii) of this Annex.

Section 5

Capacity for Charter Combination Services

Notwithstanding the provision in paragraph 3 of Article VIII (Fair Competition) entitling airlines to determine the frequency and capacity of their own operations, each Party shall be limited to allocating only the following number of round-trip operations for charter combination services on aircraft operated by its designated airlines. These operations may originate in the territory of either Party: 2/

- A. From April 1, 2001 to November 30, 2001: up to fifty-two (52) round-trip operations.
- B. From December 1, 2001: up to one hundred four (104) round trip operations per year.

Notwithstanding the above, both Parties agree to give sympathetic consideration to applications for combination charter flights in excess of the above-listed allocations.

2/ The capacity limitations in this Annex shall have no application to operations behind or beyond the gateways in the territories of the Parties. Neither shall the limitations apply to operations by airlines designated by the Government of Argentina on routes including San Juan.

Annex II

Charter Air Transportation

Airlines of each Party designated under this Annex shall, in accordance with the terms of their designation, have the right to carry international charter traffic of passengers (and their accompanying baggage) and/or cargo (including, but not limited to, freight forwarder, split, and combination (passenger/cargo) charters); separately or in combination, regardless of whether the traffic originates in one or more places or comes from one or more sources, and regardless of in which Party's territory the charter originates;

Between any point or points in the territory of the Party that has designated the airline and any point or points in the territory of the other Party; and

Between any point or points in the territory of the other Party and any point or points in a third country or countries, provided that, except with respect to cargo charters, such service constitutes part of a continuous operation, with or without a change of aircraft, that includes service to the homeland for the purpose of carrying local traffic between the homeland and the territory of the other Party.

In the performance of services covered by this Annex, airlines of each Party designated under this Annex shall also have the right: (1) to make stopovers at any points whether within or outside of the territory of either Party; (2) to carry transit traffic through the other Party's territory; (3) to combine on the same aircraft traffic originating in one Party's territory, traffic originating in the other Party's territory, and traffic originating in third countries; and (4) to perform international air transportation without any limitation as to change, at any point on the route, in type or number of aircraft operated; provided that, except with respect to cargo charters, in the outbound direction, the transportation beyond such point is a continuation of the transportation from the territory of the Party that has designated the airline and in the inbound direction, the transportation to the territory of the Party that has designated the airline is a continuation of the transportation from beyond such point.

Each Party shall extend favorable consideration to applications by airlines of the other Party to carry traffic not covered by this Annex on the basis of comity and reciprocity.

Section 2

Any airline designated by either Party performing international charter air transportation originating in the territory of either Party, whether on a one-way or round-trip basis, shall be required to comply with any filing requirements for notification and data collection purposes applicable to charter operations in the country of origin of the traffic, provided that such requirements do not limit the rights provided for in Section 1 of this Annex.

However, nothing contained in the above paragraph shall limit the rights of either Party to require airlines designated under this Annex by either Party to adhere to requirements relating to the protection of passenger funds and passenger cancellation and refund rights.